

~~UNCLASSIFIED~~

1

DEPARTMENT OF ARMY SUBMISSION FOR THE NAPA STUDY

ORGANIZATION AND STAFFING

1. Agency Intelligence Mission. A description of Army's varied intelligence mission is supplied at enclosure 1.
2. Major Organizational Components within Army. Management of Army's intelligence function begins with the Office of the Deputy Chief of Staff for Intelligence (DCSINT), a component of the Army Staff. This organization is headed by a Lieutenant General, with a Major General as Deputy, and a Senior Executive Service member as Special Assistant. The organization is further supported by the Army Intelligence Agency which is charged with analyzing, producing, and disseminating general intelligence. Nearly every Major Army Command reporting directly to the Army Staff has a supporting intelligence component. The US Army Intelligence and Security Command (INSCOM) is the sole major command, however, with intelligence and security as its primary function. It is the Army's only true multi-disciplinary intelligence and security organization. Other major commands use their intelligence assests to support their primary missions. This results in a thorough and varied spectrum of intelligence functions throughout these other Army commands from strategic and tactical intelligence training to local security countermeasures and counterintelligence.
3. Authorized Civilian Strength. The proposed Army population to be converted to the Civilian Intelligence Personnel Mangement System (CIPMS) in response to PL 99-569, the Intelligence Authorization Act, is provided at enclosure 2. The proportion of civilian to military performing intelligence functions varies widely from approximately one to ten in INSCOM to some situations with few if any military. The Intelligence function in Army is generally characterized, however, by both a significant intermingling of military and civilian with dominance of military in management positions.
4. Major Civilian Occupational/Career Fields. Enclosure 2 also reflects civilian strength by Office of Personnel Management (OPM) classification series. Generally, these employees work in standard office settings, however, the several hundred Military Intelligence Civilian Excepted Career Program (MICECP) members (a sub-group of the GS-132, Intelligence Operations Specialist population), often perform field collection or investigation duties most frequently, but not exclusively, in urban settings. Although most Army intelligence employees work in office settings they are all separated from other Federal competitive service peers by their requirement to work in secure facilities, undergo background investigations and/or polygraph exams, maintain a strict life style, be reserved about their occupation, and be especially vulnerable to terrorism when working overseas. In addition, several hundred employees have contingency mobilization missions that require additional emergency training and the ability to either go into the field with deployed units or remain and support their overseas organizations during emergency periods when non-essential civilians and dependents are evacuated.
5. Organization and Functions of Supporting Personnel Offices. The CIPMS will be managed within Army by a joint functional intelligence and personnel staff management office, the Intelligence Personnel Management Office (IPMO). A draft mission and function statement and organization chart is provided at enclosure 3. This office represents a prototype for "functional propensity"

~~UNCLASSIFIED~~

for personnel management within Army. Functional proponenty refers to the extraordinary delegation of both staff and line personnel management authority to the functional proponent, in this case the Deputy Chief of Staff for Intelligence (DCSINT). Operating day to day administrative personnel support will still be provided, however, by approximately one hundred civilian personnel offices scattered world wide. Major Command "functional" career program managers will also manage their command's overall intelligence resources and direct IPMO's "forward based" trainers/trouble shooters placed throughout the United States and overseas in the resolution of both command wide and local personnel problems. Furthermore an additional "management" feature is built into CIPMS. Centrally approved, generic/standardized personnel documents such as job descriptions and performance standards will be established that should channel local and civilian personnel office efforts away from many traditional paperwork intensive functions. This should allow personnel management specialists to give more frequent management advice and assistance.

6. Delegation of Personnel Authority to Managers. Army Commanders are given full personnel management authority under Title 5, competitive service programs, but must operate within the restrictions of OPM, DOD, Army and MACOM regulations. Under CIPMS, an effort will be made to remove or minimize some restrictions previously imposed by OPM, Army, and MACOMS. Significantly, top management will be delegated classification authority and encouraged to separately manage a personnel budget that will include basic salary, awards, recruitment and retention incentives, overtime, and training. This budget will gradually take the place of such artificial controls as average grade, number of employees to be recognized by awards, etc. In addition, many other authorities now reserved by either the Department or MACOMS will be delegated to commanders permitting more responsive personnel actions. A good example could be the delegation of authority to approve appointment of retired military officers within 180 days of their retirement and the ability to pay for moving expenses to the first duty station when initially employed.

LEGAL BASIS FOR PERSONNEL PROGRAM

7. Authorizing Legislation. CIPMS is authorized by Section 504 of PL 99-569, the Intelligence Authorization Act of 1987. In addition Section 7112(b)(6) of Title VII of CSRA provides for exclusion from labor-management relations for intelligence and security functions, and EO 12171 specifies the exclusion of individual Intelligence organizations.

8. Authorizing or Controlling Regulations. A large body of DoD, Army, and MACOM regulations now exists for the Title 5 competitive system. Additional, but inflexible, guidance is available for the Schedule A excepted service. The Schedule A excepted service has previously been used by the Defense Intelligence Community (DIA, Navy, Air Force, and Army). Competitive and Schedule A excepted service regulations will be replaced in many but not all cases with CIPMS regulations. A draft OSD Personnel Management Manual covering the tri-service CIPMS, for instance, is now being staffed (copy previously furnished). Each service will in turn develop supplementary regulations that will be approved by OSD and possibly Congress. Army intends to develop CIPMS regulatory material and accompanying guidance pamphlets on classification, staffing, management employee relations, performance management, incentive awards, career management, training, and program evaluation.

In addition, the CIPMS will utilize the existing DoD Intelligence Career Development Program, DoD 1430.10-M-3, and the Defense Intelligence Special Career Automated System DoD 1430.10-M (Annex 3) for career development and referral and placement of intelligence professionals.

9. Additional External Laws or Regulations. The Classification Act of 1949 has been specifically superceded by Section 504 of PL 99-569. Most other civil service laws and regulations apply, however, with the following additional exceptions:

a. The Veterans Preference Act applies but will not be regulated by OPM regulation. Each Department will develop implementing procedures that will be approved by OSD.

b. The Performance Management and Recognition System (Merit Pay) will not apply. All non-wage grade employees will be designated as general schedule (GS).

c. Title 10 provides for the establishment of overseas recruitment and retention incentives where current incentives are insufficient.

d. Termination for national security reasons (non-espionage) will be processed under Title 10 (appeal rights to Secretary of Defense rather than MSPB/ EEOC) rather than Title 5, Section 7512 (conduct) or Section 4303 (performance).

MAJOR ISSUES/PROBLEMS IN THE AGENCY PERSONNEL PROGRAM

10. Current Major Issues and Problems. Most current problems and issues generally relate to those issues for which Section 504 of PL 99-569 was passed by Congress. The basic problem has been negative and unequal competition within the intelligence community due to unequal personnel management systems. Lack of sufficient career development opportunities and an overly complex and unresponsive personnel system are also contributing factors. Army as a whole has also concurred with the evaluation of the Title 5 system as overly complex and unresponsive in a 1986 DA Inspector General Report. This report also found wide spread lack of top management ownership for the personnel system especially on the part of military managers. A final general problem worth noting, has been the lack of identity or cohesiveness of the Intelligence Community from a personnel management perspective. Separated into nearly all the Major commands, the intelligence community has not had until now (with the DCSINT and the IPMO) a centralized management body with authority to pull together its resources for efficient accomplishment of the army's overall intelligence mission. Title 10 will not just provide a personnel program for intelligence, it will go farther and establish a separate, tailored flexible personnel management system that will institutionalize and bring about a whole new philosophical change in how we manage and administer our human resources.

Specific issues presently under review for change are as follows with a short discription of the negative impact;

a. End Strength Ceilings. Limits ability to manage by budget, make staffing adjustments, and move toward more efficient organizational structures.

b. Limitation on Number of SES Personnel. Limits ability to offer competitive salaries to many top managers who also are required to possess highly technical skills, as engineering or science.

- c. Security Clearance Requirements. Imposes a long delay in hiring key personnel often due to a backlog of cases at investigating and adjudicating agencies.
- d. Dual Compensation Law. Discourages retired officers and warrant officers from seeking employment in DoD. This is a significant trend since these potential applicants are often the only ones who possess the required skills and have the relevant currency of experience.
- e. Veterans Preference. Often inhibits the hiring of younger or minority employees in professional, technical and administrative entry positions. (Army Intelligence Community has an excellent record in hiring veterans).
- f. OPM Personnel Reporting Requirements. Undermines efforts to protect some employees in very sensitive positions (especially those overseas) from disclosure of their association with intelligence and the U.S. Government.
- g. Training Restrictions. The Government Employees Training Act (GETA) restricts training for degrees and the type of training provided and by whom. The ability to train for a degree could be a valuable recruitment and retention incentive and a tool to help in meeting affirmative action goals.
- h. Restriction on Pay for Languages. Neither Title 5 competitive Nor Schedule A excepted service authorities provide for compensation for obtaining or maintaining a foreign language. The Army critically needs this ability to help attract and retain intelligence specialists with language skills capability.

11. Controlling Laws or Regulations Inhibiting Personnel Management.

- a. End Strength Ceilings. - Annual Intelligence Authorization Act.
- b. Limitation on Number of SES. - CSRA and Implementing OPM Regulations.
- c. Dual Compensation Law. - 5 USC 5532
- d. Veterans Preference. - 5 USC 1302
- e. OPM Personnel Reporting Requirements. (Specific cite unknown)

STATUTORY CHANGES IN THE AGENCY PERSONNEL PROGRAM SINCE 1978

12. Recent Significant Legislation. Section 504, Chapter 81, Title V, of PL 99-569, Intelligence Authorization Act of 1987, provided the authority to establish a separate personnel management system for the Department of Defense Civilian Intelligence Programs.

13. Problems Addressed by Law.

The House Report on the legislative proposal resulting in PL 99-569 (enclosure 4), best represents the reasons for the legislation and supplements those given above. It is now projected that the new excepted service system (CIPMS) will be implemented by Army, Navy, and Air Force in late 1988. Army will implement in a phased approach. The full effect and benefit should be felt by 1990.

Section 504 specifically exempted the services from the Classification Act of 1949, permitted the establishment of a classification system more compatible to the rest of the Intelligence Community, provided for the establishment of overseas recruitment and retention incentives where needed, and provided for authority to terminate employment without appeal outside the Department of Defense for national security reasons when provisions of Title 5 are inconsistent with the interests of the United States. The effect of this legislation is to create a small statutory excepted service within each of the service's much larger competitive systems. This effect, and the perceived need to increase management authority for personnel management and decrease complexity, lead to a review within each service of all personnel regulations and systems. The final result in Army has been the establishment of a comprehensive personnel management system responsive to management needs rather than an excepted service system just effecting only a few aspects of personnel management.

STATUTORY CHANGES REQUESTED SINCE 1978 FOR PERSONNEL PROGRAM BUT NOT SECURED

14. Unsuccessssful Legislative Initiatives. None to date.

15. Reasons for Lack of Success. Not applicable.

REGULATORY CHANGES IN PERSONNEL PROGRAM REQUESTED FROM HIGHER AUTHORITY SINCE 1978.

16. Regulatory Requests Since 1978.

a. OPM was requested several times to schedule and conduct standards projects for the GS-132, Intelligence Series. Classification and qualification standards for this series date back to the 1960's and have lost their relevance.

b) The Defense Intelligence Agency (DIA) was also requested in 1987 to update DISCAS, the automated career referral system it operates for the three services and DIA.

17. Problem Description and Outcome.

a. OPM declined to schedule or perform standards work on the GS-132 standards because of the comparatively small number of employees effected throughout the entire federal work force. OPM did initiate work on the GS-080 standard with new products finally being published in December 1987. A delay in implementing these standards has been requested because of conversion of the GS-080 series to CIPMS in late 1988.

b. DIA was requested in 1987 to update DISCAS due to changes caused by the new tri-service and DIA legislation. Coverage was requested to be expanded to cover nearly all two grade interval series within the non-NSA Defense Intelligence Community. Mandatory use of referral lists was also requested to be changed to optional to provide managers total flexibility in hiring in the new direct hire authority environment. A compromise process was tentatively approved in December 1987 providing for the desired expanded coverage but retaining mandatory use of the referral list, at the GS-13 and above levels for only GS-132 and scientific and technical series positions. To provide greater managerial flexibility, the practice of Functional Chief Representative's approval, if

non-selecting from a DISCAS referral list, was dropped in favor of simple supervisory documentation of the reasons for selecting from outside a DISCAS referral list. In addition, exceptions for noncompetitive actions were extended to several new categories of personnel actions to better reflect both DIA's and the tri-service's new personnel systems.

18. Evaluation of Change. The effect of both changes cannot yet be measured. The GS-080 classification standard produced by OPM is not expected, however, to directly effect the intelligence Community. Separate CIPMS guides are programmed to be written to supercede the OPM standards.

19. Reasons for Non-Approval. Fully optionally use of DISCAS referral lists was not approved at this time due to a feared drop in the use of DISCAS referral lists and possible significant reduction in employee registration. It has been agreed that this issue will again be evaluated after sufficient experience with the compromise described above.

CHANGES CONSIDERED TO BE NEEDED IN CONTROLLING PERSONNEL LAW AND/OR REGULATION.

20. Additional Needed Changes. Many of the additional changes being considered within Army have been discussed in paragraph 10 above. None has yet been formally proposed. In addition, discussions have been conducted on needed clarification of the intelligence community's exception from labor relations statutes. Title VII of CSRA exempts by function and EO 12171 exempts by organization. CSRA exclusion criteria for labor relations (because of intelligence or security work) are not specifically linked to Title 10's scope of employee coverage. This can lead to confusion and conflict which will not be made much clearer by EO 12171 that exempts from labor relations based on specific organizational affiliation; many of which have become superceded by new organizations.

A clarification of CSRA that would also supercede the Executive Order would be helpful if it would link exempting criteria to CIPMS coverage instead of by specific organization name.

SIGNIFICANT CHANGES NEEDED THAT CAN BE MADE WITHIN EXISTING AUTHORITIES BUT ARE BEING DELAYED BECAUSE OF THE NAPA STUDY.

22. Implementation of CIPMS is not being delayed because of the NAPA study. Many of the changes being considered that have been discussed above may also be proposed in the March 1989 Report required by Congress. The recommendations of the final NAPA report will be used to bring about additional improvements to CIPMS. The services have agreed from the beginning that achieving compatibility within the intelligence community would require a series of program assessments and changes taking several years to implement and reach their full effect.

RECRUITING AND RETAINING PERSONS WITH CRITICAL SKILLS.

23. Difficulty with Engineers, Computer Scientists, Mathematicians or Linguists. Army's Intelligence Community has had a difficult time retaining engineers and scientists especially in communities with many other technical employees, both government and non-government. This has also extended, but to a lesser degree, to mathematicians and computer scientists that are employed less frequently within Army's Intelligence Community. Linguistic skills are also difficult to

attract and maintain especially since they are generally sought together with intelligence specialist knowledge. The Army's military side has established language proficiency pay. Army will also explore this possibility for civilians such as has been established by NSA.

24. Difficulty with Other Occupations. Army's intelligence community has also suffered a shortage of computer specialists, polygraphers and security specialists. The Army has relatively recently begun a counter intelligence polygraph program substantially expanding its resource requirements in an already tight labor market and has been disadvantaged by the superior grade structures offered by other intelligence community components. Army has also civilianized a large number of installation security specialist positions and will be disadvantaged in filling them by the Dual Compensation Law. An additional significant occupational area has been in clerical support. The extended delay in hiring because of the requirement for a clearance, the relatively low grade structure within the intelligence community, and then the advantageous position in the labor market granted these employees after obtaining needed clearances, keeps a constant high turnover rate.

25. Statistical Basis for Problems.

<u>Occupation/ Specialization</u>	<u>Number of Vancancies to be filled annually</u>	<u>Number Filled Annually</u>	<u>Current Vacancy Rate</u>
---------------------------------------	---	-----------------------------------	---------------------------------

Comprehensive Statistics are not available for all of Army. Due to the fragmentation of personnel servicing from over one hundred personnel offices. Statistics are available, however, from some organizations. The Missile and Space Intelligence Center, for instance, has consistently experienced hiring and retention problems for engineers and clerical support. 1985 and 1986, were bad years. Figures for 1986 exist. Thirty engineering vacancies out of approximately 170 couldn't be filled. Approximately 45 percent of all clerical support turned over in 1986. Since then things have improved somewhat for that organization partly due to the expectation of improvement from our new legislation.

ADDRESSING THE FUTURE

26. Expected Work Force Changes. The most significant changes anticipated within the next 5-10 years will be continuation of many trends from the last 5-10 years. Those trends will likely be continued attrition of highly skilled individuals due to retirement along with diminishing recruitment of competent military retirees and other candidates with directly applicable military backgrounds. Greater reliance will have to be placed on recruiting and developing entry candidates and in providing skills training for the many newly emerging technical specialties. The recent legislative changes establishing statutory excepted services for DIA and the Defense Departments should promote movement toward greater comparability of systems and increased movement between agencies. Rather than one way movement, however, it is hoped that significant two way movement will now occur to everyone's benefit. Another anticipated positive result of recent legislative changes should be increased recruitment, retention, and career development of minorities and women. The Defense Intelligence Community has suffered from fragmentation in personnel management between the many commands and servicing personnel offices. The IPMO should be better able to focus on community-wide barriers to hiring and promotion of minorities and

women as well as directly implementing needed changes. For additional details on this complex problem of expected work force changes, I call your attention to a book entitled WORK FORCE 2000 by William B. Johnston and Arnold E. Parker. This publication is the product of a special study in 1987 by the Hudson Institute. This paper does not permit going into a complete analysis of the book's findings and their relevant application to the challenges of the intelligence community future staffing needs. However, upon review of this publication you will begin to see that technological employee skills to include language proficiency will become scarcer than we ever imagined.

27. Long-Range Work Force Plans. There is presently no long-range work force plan for the Army's intelligence community. Its development will be a function and responsibility of the IPMO. The three services are developing, however, a CIPMS-wide program evaluation system to support both reporting requirements to Congress, OSD needs and individual service requirements. This system should be in operation by the end of the year and provide basic direction for work force planning.

COMPETITION BETWEEN IC AGENCIES IN PERSONNEL PROGRAMS.

28. Areas of Disadvantage.

a) Army, like Air Force, and Navy, must compete with all other agencies for SES spaces. NSA, CIA and DIA, on the other hand, have separate Senior Executive programs and substantial numbers of executives. Army has only six SES members out of an intelligence population of 5,000 civilian employees and 27,000 military members.

b) Army, Navy, and Air Force each has populations of HUMINT and Counter-Intelligence specialists performing sensitive assignments overseas. Unlike CIA and NSA, however, they enjoy no additional retirement benefits. CIA and NSA also are able to provide entitlements that the services up to now could not even begin to compete with. Function and working conditions, not agency location, should determine entitlements throughout the Intelligence Community.

c) Army, Navy, and Air Force CIPMS programs will all be established within much larger Title 5, competitive service systems. Those larger competitive systems will tend to inhibit changes required by Army's intelligence community to keep pace with the national intelligence community. It is presently very difficult to convince top Army managers that change for the intelligence community is appropriate when the larger competitive service is precluded from enjoying the same changes. A central authority or advocate within the intelligence community for personnel programs could beneficially balance intelligence community needs for flexibility, comparability and growth with the changing mission requirements.

ENCLOSURES

1. DEPARTMENT OF THE ARMY INTELLIGENCE MISSION AND FUNCTIONS OVERVIEW.
2. DEPARTMENT OF THE ARMY PROPOSED COVERAGE BY SERIES, ORGANIZATION AND NUMBER.
3. INTELLIGENCE PERSONNEL MANAGEMENT OFFICE.
4. INTELLIGENCE AUTHORIZATION ACT HOUSE REPORT.
5. IPMS EVALUATION SYSTEM QUESTIONNAIRE - INSCOM.
6. SUMMARY OF CIPMS.
7. EEO DATA.
8. WORK FORCE COMPOSITION.